

**Hanford Employee Welfare Trust (HEWT)
Post-Retirement Life (PRL) Insurance**

SUMMARY OF MATERIAL MODIFICATION (SMM)

Effective September 1, 2005

Retirees Under Age 65

This material modification supplements the previously distributed summary plan descriptions.

Coverage and premium-sharing contribution provisions for Post-Retirement Life (PRL) insurance for eligible retirees who are under age 65 are as follows:

Effective September 1, 2005

The Hanford Employee Welfare Trust (HEWT or "Trust") offers two levels of post-retirement life insurance to retirees under age 65.

1. "Basic" post-retirement life insurance:

- Coverage is \$15,000.
- No retiree cost. The HEWT pays the full premium cost.⁽¹⁾

2. "Enhanced" post-retirement life insurance⁽²⁾

- Coverage is equal to one and one-half (1½) times the retiree's "final pay,"⁽³⁾ rounded up to the next \$1,000 (or the retiree's current coverage amount, if less).
- The retiree's cost share is 25% of the total premium for coverage in excess of \$15,000.

Effective September 1, 2006

1. "Basic" post-retirement life insurance:

- Coverage is \$15,000.
- No retiree cost. The HEWT pays the full premium cost.

2. "Enhanced" post-retirement life insurance:

- Coverage will be one (1) times final pay rounded up to the next \$1,000. The maximum available coverage will be \$50,000.
- The retiree's cost share is 50% of the total premium for coverage in excess of \$15,000.

⁽¹⁾Total premium rates are established by the insurance company based on plan experience. They are subject to change. Retiree costs will be based on total premium rates as of the effective date.

⁽²⁾Retirees under age 65 who have elected the "enhanced" coverage can reduce coverage to the "basic" coverage (that is, \$15,000 at no cost) at any time in the future by notifying the HEWT in writing at least 30 days in advance of the effective date. Once elected, however, retirees cannot increase coverage at a later date.

⁽³⁾"Final pay," for purposes of post-retirement life insurance, is defined as the employee's straight-time annual base pay rate at the date of retirement, or upon reaching age 65, whichever comes first.

Important: The Trust (HEWT) and the company Sponsors have established the Plans with the bona fide intention and expectation they will be continued indefinitely, but they reserve the right to terminate any or all of the Plans, in whole or in part, at any time without liability. This right includes, without limitation, the right to increase or decrease the Sponsors' contributions or the Participants' contributions to any or all of the Plans, at any time, and to modify any or all of the coverage with respect to any or all of the Participants covered by a Plan or Plans.